

## TREASURY MANAGEMENT - FINANCIAL MONITORING

**1. EXECUTIVE SUMMARY**

- 1.1 This is one of a series of reports submitted throughout the year to highlight the financial performance of Treasury Management. Members are requested to note the report.

**2. FINANCIAL YEAR 2006/07**

- 2.1 At the time of preparing this report work continues on completing the accounts for the 2006/07 financial year and further details will be included in the report to the next meeting of this Committee.

**3. FINANCIAL YEAR 2007/08**

- 3.1 Further to the reporting of the Estimates 2007/08 to Cabinet on 20 February 2007 and to Council on 1 March 2007, the approved budget for Treasury Management is £6,203,800.
- 3.2 Since the Treasury budget was approved by this Committee on 6 February 2007 it has been revised to reflect the agreed savings and the re-allocation of internal recharges.

	£
Budget presented to Overview & Scrutiny Committee	6,398,900
Subsequent changes:-	
Reduction in Pay inflation	-24,400
Recharge Adjustments	-170,700
<b>Budget approved by Council 1 March 2007</b>	<b>6,203,800</b>

- 3.3 The approved budget analysed over service areas is as follows :-

	£
Asset Management	120,300CR
Corporate Management	2,589,400 DR
Democratic Representation	1,937,300 DR
Pensions	<u>1,797,400 DR</u>
Total for Treasury Management	<u>6,203,800 DR</u>

**4. FINANCIAL MONITORING 2007/08****4.1 Progress on implementing Policy Options**

- 4.1.1 There are no policy options affecting these budgets.

**4.2 Progress on delivering savings**

- 4.2.1 There are no savings for 2007/08 which affect these budgets.

#### **4.3 Progress on delivering Service Re-engineering savings**

4.3.1 The Treasury Management budgets essentially relate to the financing costs of asset management with the related staffing and accommodation running costs being held within departmental budgets. Consequently there is no service re-engineering target for this particular budget.

#### **4.4 Impact of Cabinet / Executive Board decisions**

4.4.1 There have been no Cabinet Decisions affecting this budget.

#### **4.5 Variations**

4.5.1 The Asset Management budget due to its size and complexity may vary significantly. Any variations in interest rates and market conditions, for example, would impact on these budgets. All budgets continue to be monitored and at this stage no significant variations have arisen.

#### **4.6 Issues affecting future financial years**

4.6.1 There are no current issues affecting future financial years.

### **5. FINANCIAL AND STAFFING IMPLICATIONS**

5.1 For 2007/08 the agreed estimate for Treasury Management is £6,203,800 and, at this stage of the year this is projected to be the anticipated spend.

5.2 There are no additional staffing implications arising from this report.